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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
1998 Biennial Review)	CC Docket No. 98-171
Streamlined Contributor Reporting)	
Requirements Associated with Administration)	
of Telecommunications Relay Services, North)	
American Numbering Plan, Local Number)	
Portability and Universal Service Support)	
Mechanisms)	

REPLY COMMENTS OF SBC COMMUNICATIONS INC.

SBC Communications Inc., on its behalf and on behalf of its subsidiaries, ("SBC") submits these Reply Comments in response to Comments filed by various parties¹ related to the Commission's proposed streamlined reporting as set forth in its Notice of Proposed Rulemaking and Notice of Inquiry ("Notice") in the above captioned docket. The Comments presented to the Commission overwhelmingly endorse its intent to reduce the regulatory and administrative burdens of the carriers through the adoption of a single unified Telecommunications Reporting Worksheet ("Report").² However, SBC encourages the Commission to heed certain administrative points raised by these Commenters with regard to the adoption of this proposal.

¹ The Comments addressed herein are those filed by AT&T Corp ("AT&T"); Ameritech; Bell Atlantic; BellSouth Corporation ("BellSouth"); Sprint Corporation ("Sprint"); GTE Service Corporation (GTE); the National Exchange Carrier Association, Inc. ("NECA"); US WEST Communications, Inc. ("US WEST"); United States Telephone Association ("USTA"); STAR Telecommunications, Inc. ("STAR") and the Cellular Telephone Industry Association ("CTIA").

² SBC, pp.1-2; AT&T, p. 2; BellAtlantic, p. 1; CTIA, p. 2; GTE, p. 2; NECA, p. 2; US WEST, p. 2 and USTA, p. 1.

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Reply Comments
SBC Communications Inc.
November 16, 1998

I. CLARIFICATION IS NEEDED TO ELIMINATE ANY APPARENT INCONSISTENCIES AND TO ENSURE THE PROPER REPORTING OF APPROPRIATE DATA.

Further clarification is needed concerning the contents of the Report and the timing of the Report's filing. Of concern is how the timing of the current reports is to be accommodated by the proposal. As noted by Bell South,³ while the Commission proposes that the Report be filed on April 1st, the reports which currently fulfill the reporting requirements for universal service, telecommunications relay service and the North American Number Plan, fall within the period of March 12th to April 26th. SBC agrees that the Commission should suspend the filing of the currently required reports upon its adoption of this proposal in order to eliminate unnecessary confusion. SBC also agrees with AT&T⁴ that the proposed Worksheet and Instructions must be carefully reviewed with respect to defining the appropriate reporting periods and resolving any additional inconsistencies.

SBC further concurs with Bell Atlantic⁵ and USTA⁶ that only four financial numbers need be reported to support the Commission's reporting objective: interstate and international gross end user telecommunications revenue; gross end user telecommunications revenue; annual generating revenue; and gross telecommunications plant. Neither additional information, or further detail in support of these numbers, is warranted or necessary.

³ BellSouth, p. 4.

⁴ AT&T, p. 6.

⁵ Bell Atlantic, pp. 2-3.

⁶ USTA, p. 2.

II. SBC AGREES THAT WHILE THE CONSOLIDATION OF ALL BILLING AND COLLECTIONS FUNCTIONS WITH A SINGLE AGENT WOULD APPEAR TO BE BENEFICIAL, A COST BENEFIT ANALYSIS SHOULD BE PERFORMED.

The Notice sought input as to whether the Commission should consolidate all billing and collection functions for the four support and cost recovery mechanisms with a single agent. There was widespread support for this proposal.⁷ The consolidation would appear to facilitate the regulatory process, while eliminating the administrative burden of having to deal with four separate agents. However, SBC concurs with Ameritech⁸ and Bell Atlantic⁹ that a cost benefit analysis is warranted in order to verify that the consolidation would, in fact, reduce administrative costs and result in other assumed efficiencies. Such an analysis should take into consideration all of the factors inherent in this process, including the duration of existing contracts as well as the identified complexity related to universal service contributions.

III. THE CONFIDENTIALITY OF REVENUE DATA MUST BE HONORED AND MAINTAINED BY THOSE SHARING THIS REPORTED INFORMATION.

The Commission proposes to allow carriers to certify that revenue data is privileged and confidential commercial or financial information by checking a box on the Report.¹⁰ While information being requested by the Commission is relevant to its purposes, it is also considered by SBC and other carriers to be highly proprietary. As

⁷ See, e.g. Sprint, p. 7; BellSouth, p. 9.

⁸ Ameritech, p. 4.

⁹ BellAtlantic, pp. 4-5.

¹⁰ Notice, ¶ 56.

such, SBC agrees with STAR¹¹ and BellSouth¹² that the Commission's proposal to allow the various administrators the ability to share information is acceptable only to the extent that these administrators honor the confidentiality requests and certifications of the carriers as evidenced by the Report.

IV. WITH REGARD TO REPORTING RELATED TO A CARRIER'S UNIVERSAL SERVICE OBLIGATION, THE COMMISSION'S CURRENT *DE MINIMUS* RULES RELATED TO RESELLERS IMPOSES AN UNWARRANTED ADMINISTRATIVE BURDEN UPON THE UNDERLYING CARRIER.

Both BellSouth¹³ and USTA¹⁴ clearly describe the administrative burden imposed upon underlying carriers related to the Commission's *de minimus* rules concerning resellers and the carriers' universal service fund obligation. The revenues of resellers now subject to the Commission's *de minimus* exemptions are to be included as end-user revenues of the underlying carrier. Yet, as BellSouth describes, this shifting of the reseller's obligations to the underlying carrier requires the carrier to manually and laboriously search its billing records in order to segregate those revenues attributable to the individual reseller. Moreover, the inclusion of these reseller revenues is contrary to the Commission's avowed objective of competitive neutrality. The inclusion of reseller revenues clearly and incorrectly infers that the underlying carrier has obtained, in some form, a benefit from these revenues. In actuality, the underlying carrier, through no action other than the fulfillment of its legal obligation to resell service, is burdened with an unforeseeable obligation. Thus, SBC concurs with Bell South and USTA that only by

¹¹ STAR, p. 4.

¹² BellSouth, p. 8.

¹³ BellSouth, pp. 5-7.

¹⁴ USTA, p. 3.


spreading the contributions that exempt carriers would have made across all contributing carriers, not just the carriers whose services are being resold, can this inequity be resolved.

V. CONCLUSION

SBC applauds the Commission's actions in seeking to minimize the unnecessary administrative burdens imposed upon carriers through the streamlining of the specified reporting requirements. However, in order for this benefit to be fully realized, SBC would encourage the Commission's final rules reflect the concerns stated above in relation to the data being reported, the maintenance of this data's confidentiality and the unfair burden placed upon underlying carriers by the Commission's *de minimus* rules for resellers regarding the carriers' universal service fund obligations.

Respectfully submitted,

SBC COMMUNICATIONS INC.

By: 

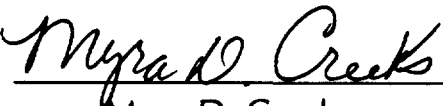
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November 16, 1998

CERTIFICATE OF SERVICE

I, Myra D. Creeks, hereby certify that the foregoing, "Reply
Comments of SBC Communications, Inc.," in CC Docket No. 98-171,
has been filed this 16th day of November 1998, to the Parties of Record.


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